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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

27
 28 RAND INTERNATIONAL, INC.,

v.
 29 Plaintiff,

LUCASFILM LTD.,

Defendant.

CASE NO. CV 08-3897 JSW

**DECLARATION OF MARK WORKSMAN
 IN FURTHER SUPPORT OF PLAINTIFF'S
 EX PARTE MOTION FOR
 (1) TEMPORARY RESTRAINING
 ORDER; AND
 (2) ORDER TO SHOW CAUSE RE:
PRELIMINARY INJUNCTION**

Date: August 22, 2008
 Time: 9:00 a.m.
 Courtroom: 2
 Judge: Hon. Jeffrey S. White

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(“Defendant” or “LucasFilm”) from terminating a Merchandise License Agreement (“License Agreement”) for the use of certain Star Wars and Clone Wars licensed properties on bicycle, scooter and other products sold by Rand International.

3. This lawsuit involves LucasFilm’s wrongful attempted termination of a
4 License Agreement.

5. First, Defendant’s claim that Rand International never provided any
6 evidence that the failed tests results were incorrect, or that its products were safe (Anderman Dec.
7 2, Anderson Dec. 23-26, Roffman Dec. 24, 22), is categorically false.
8

9. 5. With respect to the Scooter:

- 10. ▪ On June 23, 2008, Rand International explained that the failure of the Scooter
test was because of incorrect testing protocol (Worksman Mov. Decl.,¹ Ex.
11 C.2);
- 12. ▪ On June 13, 2008, Rand International provided Defendant with eight (8)
separate quality tests done on this Scooter model from 2005-2008 for a 100
13 pound rider and each test gave the Scooter a passing grade (*Id.*, Ex. K);
- 14. ▪ The Scooter was retested by Intertek on June 23, 2008 and passed (*Id.*, Ex.
K.1); and
- 15. ▪ The Scooter was retested by BV on July 10, July 11, and July 14, 2008 and
passed (*Id.*, Exs. K.2 – K.4.)

16. 6. Defendant’s claim that the Scooter failed for multiple reasons is false. This
17 ignores the fact that the other failures to which Defendant refers (*i.e.* “permanent deformation”
18 and “sharp edge”) only occurred because the scooter was tested to the incorrect weight. The
19 failures were not independent of the 200 lb. testing failure, as Defendant contends, but rather
20 were a result of it.
21

22. 7. In fact, the scooter has never failed component strength testing, or had any
23 such failures as documented in the June 10, 2008 test when tested to the appropriate standard of
24 100 lbs. We have sold the very same Scooter in both generic versions and for other licenses
25 products to a number of other retailers, including Toys R Us, and have not had an issue with this
26

27. ¹ 28. References to “Worksman Mov. Decl.” are to the declaration of Mark Worksman, dated
August 14, 2008 submitted in support of plaintiff’s motion for injunctive relief.

1 type of testing. Indeed, Rand International sold Toys R Us approximately 33,000 Batman
2 Scooters and thousands of the generic scooters over the past 5 to 7 years.

3 8. Defendant claims that a 200 lb test was appropriate because many 14-year-
4 olds weigh over 100 lbs. However, the sample sent to LucasFilm for approval of the product,
5 which was granted, contained an instruction manual, approved the sample for the Scooter which
6 stated it is only designed for children 100 lbs and below. A copy of the approval from
7 LucasFilm, dated March 27, 2008 is attached as Exhibit A.

8 9. Moreover, our manufacturer on July 14, 2008 confirmed that the Scooter
9 was tested using a 200-pound rider standard rather than the correct 100-pound standard. A true
10 and correct copy of the email from our manufacturer to Rand International is attached hereto as
11 Exhibit B.

12 10. With respect to the Bicycle:

- 13 14. ▪ The Bike was submitted for retesting on June 23, 2008 and retested by BV on
15 July 3, 2008 and passed (Worksman Mov. Decl. Ex. L);
16 ▪ Each component of the Bike submitted for retesting on June 26, 2008 and was
17 tested by Intertek on June 30, 2008 and all components passed (Id., Ex. N.);
18 and
19 ▪ The Bicycle was submitted for testing at SGS on July 22, 2008. On July 24,
20 2008, the bicycle passed (Id., Ex. K.8.)

21 11. Further, Defendant's claim that Rand International did "not engage in a
22 proactive strategy to determine how a high lead presence could result" (Anderman Decl. 2) is
23 also not accurate. Immediately after receipt of the June 18, 2008 letter, we contacted our
24 manufacturer to inform them of the alleged test failure. We reviewed all recent test results which
25 all indicated that the products were in good standing and had passed all tests. We promptly
26 communicated this information to LucasFilm. (Worksman Mov. Decl., Ex. C.2.)

27 12. We also immediately commenced retests of the products, starting on June
28 23, 2008 when we submitted the bicycle for retesting at Bureau Veritas. (Worksman Mov. Decl.,
Ex. R.8, N.).

1 13. In fact, in addition to Bureau Veritas, Rand International submitted the
2 bicycle for additional testing to Intertek and SGS. These tests similarly came back showing no
3 problem with lead paint. Intertek, SGS and Bureau Veritas are all reputable independent testing
4 agencies which retailers in the industry consistently rely on.

5 14. From day 1 after learning of the lead Bureau Veritas test, we also told
6 LucasFilm that we would quarantine the bikes and not ship them until we were 100% sure that
7 they were lead free. Thus, although the Bureau Veritas, Intertek and SGS re-tests all came back
8 showing no problem with lead paint, in an abundance of caution, Rand International made
9 additional efforts to confirm the results of those tests since we are as concerned as LucasFilm
10 about lead paint. This is because we understood that all of these tests were conducted using a
11 methodology in which paint was scraped from various areas or components of the bike, mixed
12 together and then tested. While that is industry standard, we wanted a more sophisticated test to
13 analyze components of the bikes that we had quarantined. In mid July we contacted a fourth
14 party, Exponent, an independent expert to such an additional test. On July 28, 2008 we retained
15 Exponent to conduct additional tests

16 15. Today, for the first time we were advised by Exponent, that based on
17 preliminary reports, there could be potentially be a lead paint problem with the fork of the bike.
18 The company is conducting additional testing to determine the nature and extent of the problem,
19 if any. As soon as Rand International receives the results of this test, it will provide them
20 immediately to the Court. If lead is indeed detected, we will take all appropriate steps to cure the
21 issue, whether by destroying the bikes or by removing the forks and replacing them with proper
22 forks. Once again, I must stress that none of these bikes entered the stream of commerce as soon
23 as Rand International learned of the potential problem. In addition, this problem has no impact
24 on the many other bicycles that we caused to be manufactured by other overseas companies.

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16. In addition to the instances detailed above, Lucas Film's submission
 1 contains a number of other misstatements which I would like to correct.

17. First, Defendant is wrong that Rand International ignored its attempts to
 2 discuss the June 10, 2008 test results. (Def. Mem. at p. 4; Anderson Decl. ¶ 18, Ex. 9.)

18. In fact, from June 10th up until 5 pm the day before LucasFilm terminated
 5 the agreement, Rand International was in constant communication with LucasFilm to address the
 6 test results. Attached as Exhibit C are emails between LucasFilm and Rand International about
 7 the test results from June 10th to June 13th, 2008.
 8

19. Although Defendant claims Rand International never sent testing reports as
 9 promised (Def. Mem. at p. 4) a package containing the testing reports was sent by Rand
 10 International and received by Kristina Anderson at LucasFilm on June 16, 2008. Attached as
 11 Exhibit D is the signed receipt of the package.
 12

13. 20. Further, on or about June 12, 2008, Steven Goldmeir from Rand
 14 International and Paul Southern and Kristina Anserson from LucasFilm had an extensive
 15 conference call to discuss the June 10, 2008 test results. Mr. Goldmeir then sent all testing
 16 reports demonstrating Rand International's adherence to CPSC and toy regulations. (Worksman
 17 Mov. Decl. Ex. K.1-8, L, M, N).
 18

19. 21. Further, Kristina Anderson's declaration attaches an email she sent Rand
 20 International on June 17, 2008 at 10:42 a.m to which she claims she received no response.
 21 (Anderson Dec. ¶ 18, Ex. 9). However, Ms. Anderson fails to include Rand International's
 22 response, which was within the hour. A copy of that response is attached as Exhibit E. In fact,
 23 that same day, Steven Goldmeir sent additional correspondence to Kristina in response to her
 24 10:42 am email at 1:47 and 2:49 p.m. Thus, Ms. Anderson's statement that "Rand did not reply
 25 to my email requests" on June 17, 2008, which she claims forced her to send the June 18, 2008
 26 letter is wrong.
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1 22. Similarly, Ms. Anderson's claim that Rand International never responded
 2 to her email of May 28, 2007 regarding the Star Wars helmet is false. On May 29, 2008, Steven
 3 Goldmier responded to that email and attached a manifest of tests demonstrating there was no
 4 issue with the Star Wars Helmet. A copy of that email is attached as Exhibit F.

5 23. Second, Defendant's claim that Rand has a "deplorable safety record"
 6 (Def. Mem. at iv) is also completely untrue.

7 24. In fact, I was brought on board at Rand International, in part, to deal with
 8 these very issues to focus on quality assurance and quality control, which I have a background in.

9 25. Defendant points to three incidents in Rand International's thirty year
 10 history, one of which occurred over twenty years ago. (Beyer Decl. Exs. 3, 4, 5.)

11 26. Since the incidents described in the articles attached as exhibits 3, 4, and 5
 12 to the Beyer declaration, there have been no additional incidents of product safety issues. This
 13 demonstrates the efficacy of the protocol instituted at Rand International since those incidents to
 14 prevent similar occurrences in the future.

15 27. In fact, over the recent years, Rand International has received many awards
 16 regarding its products. Indeed, it has even received supplier of the year awards at Toys R Us and
 17 licensee of the year awards from Mattel.

18 28. Similarly, Wal-Mart has expressed full satisfaction with the certifications
 19 Rand provided to Wal-Mart, per Wal-Mart's rigorous requirements. For instance, Wal-Mart
 20 remains fully satisfied with the 5 Star Wars products Rand has supplied to date (Star Wars 12"
 21 Bicycles, Star Wars 16" Bicycles, Star Wars 6 Volt Quads, Star Wars Folding Scooters and Star
 22 Wars Toy Scooters). These products are proven as quality performers in Wal-Mart's program.

23 29. In any event, the instances cited to by Defendant are not relevant to any
 24 issue implicated in the June 10, 2008 test. In fact, two of the recalls were voluntary and did not

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1 result in any injuries or incident. More importantly, Rand International immediately terminated
 2 its relationship with the manufacturers who were responsible for those three products

3 30. LucasFilm attempts to paint the picture that Rand International is somehow
 4 an at risk company since it has bicycles and scooters manufactured overseas. In fact, that is the
 5 general model of the industry for products in this price range. Indeed, while LucasFilm points to
 6 other companies such as Pacific Cycle and Huffy as being companies with whom Toys R Us will
 7 purchase from, I am aware that these competitors of Rand International also have many of the ri
 8 products manufactured overseas and, indeed, use some of same Chinese manufacturers as we do.

9 31. In addition, contrary to Defendant's argument, Rand International's claim
 10 of imminent, and irreparable harm is not speculative.

11 32. Indeed, even since Rand International filed its papers, it has endured more
 12 damage to its reputation as well as future business. At least one of Rand International's
 13 customers has already cancelled its order. A copy of an email correspondence between Kmart
 14 and Rand International is attached as Exhibit G.

15 33. If Rand International is forced to discard the \$2 million dollars worth of
 16 inventory, the potential of facing bankruptcy is very real.

17 34. Defendant's claim that Rand International can simply resell the unused
 18 products under a different label is untrue. The product becomes useless and defaced from the
 19 label change. Moreover, Defendant's position ignores that retailers have stated they no longer will
 20 do business with Rand International. Under such circumstances, there is not a realistic possibility
 21 Rand International would be able to resell the products.

22 35. Defendant's claim that Rand International was not authorized to supply
 23 products to Wal-Mart is also untrue. Lucasfilm explicitly agreed to allow Rand International to
 24 go forward with its Wal-Mart purchase orders. (Worksman Mov. Decl. Exs. C.25.F)

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1 36. Lucasfilm claims for the first time that it never authorized Rand
2 International's distribution of the *Star Wars* Quad product. (Def. Mem. at p. 4.) In fact,
3 Lucasfilm specifically approved the license of this product on March 31, 2008. A copy of this
4 approval is attached as Exhibit H.

5 37. I declare under the penalty of perjury pursuant to 28 U.S.C. § 1746 that the
6 foregoing is true and correct.

7 Executed on August 14, 2008

By: _____
Mark Worksman

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1 36. Lucasfilm claims for the first time that it never authorized Rand
2 International's distribution of the *Star Wars* Quad product. (Def. Mem. at p. 4.) In fact,
3 Lucasfilm specifically approved the license of this product. A copy of this approval is attached as
4 Exhibit H.

5 37. I declare under the penalty of perjury pursuant to 28 U.S.C. § 1746 that the
6 foregoing is true and correct.

7 Executed on August 20, 2008

8 By:

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10 Mark Worksman

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EXHIBIT A

Elizabeth Tangen

From: stacy.arnold-strider@lucasfilm.com
Sent: Thursday, March 27, 2008 12:46 PM
To: etangen@randinternational.com; mdiaz@randinternational.com; george7684grossjr@rogers.com; veee@g squaredlicensing.com; stacy.arnold-strider@lucasfilm.com
Subject: SW-021A/Folding Scooter - Darth Vader/Scooter/Pre-Production

Lucas Licensing Product Approval

Licensee: Rand International
Contact: Elizabeth Tangen
 51 Executive Blvd.
 Farmingdale , NY 11735
Phone: 631.249.6000
Fax: 631.249.6015

Date Sent: Mar 24, 2008
Date Received: Mar 25, 2008
Date Returned: Mar 27, 2008

Mktg. Year:	2008	
Property:	Episode I, Episode I, Episode II, Episode II, Episode III, Episode III, Star Wars Classic, Star Wars Classic, The Clone Wars (Animated Series), The Clone Wars (Animated Series), The Clone Wars (Cartoon Network), The Clone Wars (Cartoon Network)	
Assortment:	Wheeled Bikes & Bike Gear	
Item Name:	Folding Scooter - Darth Vader	
Item #:	SW-021A	
Submitted Item:	Scooter	
Develop. Stage:	Pre-Production	
	[X] New	[] Revised
Check List:	[X] Art	[] Marketing
	[X] Editorial	[X] Merchandising
	[X] Legal	

Comments:**Status:** [X] Approved

- We are disappointed with the execution of these items -- using stickers instead of printing the art makes the product seem cheap. On this item, in particular, the Vader image on the foot board is already washed-out and peeling up on the corners. Please do what you can to improve overall quality. Corners should not peel up.

- As next stage, please send scooter (with submission form) in packaging for full and final approval.

Stacy Arnold-Strider
 Coordinator, Global Product Development
 (Contract # L5179 ; Ref# 102326)

EXHIBIT B

Message

Page 1 of 1

Subject: STAR WARS TEST REPORT

From: Ellen Liu [mailto:tpe-ellen@saleschief.com.tw]**Sent:** Monday, July 14, 2008 8:39 AM**To:** RAND - Allen Goldmeier**Cc:** RAND - Mark Worksman ; SC SHA - Phil Song ; SC SHA - Terry Hu ; SC SHA - Vivienne Wang**Subject:** STAR WARS TEST REPORT

Dear Allen,

4. 200lbs applied on the 1st folding scooter tested at BV HK:

First of all, please note that we can not say that BV was tested with incorrect test protocol with 200lbs loaded mass. As my explanation sent to you before, BV used 200lbs on Dynamic Strength test was because they claimed that they did not find the manual with the tested sample, it means, we did not have max weight specify on our product for them to run the test according to the max weight we printed only on manual, therefore, according to the ASTM F-2264 regulation, if manufacturer did not specify the max loading weight, then it should be tested with 200lbs.

Then, your question re "what is very best way to prove this test failure was performed to 200lbs test", as per my explanation stated above, I can not say that BV used "incorrect" weight to test our product, but with my previous explanation stated in my email dated 6/23 and 6/25 with the attachment of (1) ASTM-F2264 regulation; (2) BV test RQF; (3) our manual with 100lbs stated, it shows the first test failure was caused by BV used 200lbs on Dynamic Strength Test.

EXHIBIT C

Johnson, Kerry

From: Rodney Dudley [rdudley@randinternational.com]
Sent: Wednesday, August 20, 2008 10:55 AM
To: Glatt, Elana
Cc: 'mworksman'
Subject: FW: TRU Safety Testing / Star Wars Program / LUCASFILM

*Rodney Dudley
Assistant to Steven Goldmeier
RAND INTERNATIONAL
51 Executive Blvd.
Farmingdale, NY 11735
631-249-6000, x279*

From: Steve Goldmeier [mailto:sgoldmeier@randinternational.com]
Sent: Tuesday, June 10, 2008 2:03 PM
To: 'Kristina Anderson'
Cc: 'George Gross, Jr.'; 'Paul Southern'
Subject: RE: TRU Safety Testing / Star Wars Program

June 10, 2008

Dear Kristina,

I received your e-mail below. Attached is an e-mail sent to TRU that will summarize where we stand with Star Wars Program product.

I am presently in Bentonville--returning tonight. Could you please advise if you are available for a meeting tomorrow or Thursday to meet during the Licensing Show? Please let me know when is convenient for you.

Regards,

*Steven Goldmeier
RAND INTERNATIONAL
631-249-6000, Ext 252*

=====

From: Kristina Anderson [mailto:Kristina.Anderson@lucasfilm.com]
Sent: Tuesday, June 10, 2008 11:39 AM
To: sgoldmeier@randinternational.com
Cc: george7684grossjr@rogers.com; Paul Southern
Subject:

Hello Steve,

I received a copy of the email sent to you by Joe regarding the safety test failure of the scooters.

You asked us to support you when the issue over the helmets first came up. We met and discussed the situation and advised you this is an issue Rand and TRU need to fix as we do not get in the middle of licensee/retailer manufacturing issues.

8/20/2008

We then gave Rand another shot at correcting the helmet situation after we spoke on the phone a week ago last Friday, despite the regular (at this point) requests we seek another helmet partner.

And now this.

This makes the third embarrassing situation in which Rand has placed us with this retailer with whom we have worked to create a significant Clone Wars program for the Summer and beyond.

This latest piece of information leaves us with no choice other than a) find another helmet partner and b) find another scooter partner.

I understand full well the view the licensor should stand behind the licensee and we have done that but at this rate our loyalty will cost us the wheeled goods program at TRU and that isn't a smart business move.

And what can we expect from the bike tests? You have asked us to trust you and yet the items continue to fail the TRU tests to the degree TRU won't take Rand's items as they present a safety liability for their consumers. We can not and will not have unsafe helmets and wheeled goods in the market containing our IP.

Lucasfilm will not get in the middle of this situation anymore as it is causing irreparable damage on all relationship fronts. Instead, we will work to replace the items now being cancelled at TRU.

In addition, we need to receive written confirmation that all safety tests for the other retailers into whom Rand has sold wheeled goods have been passed without issue. The confirmation needs to be backed up with whatever reports are submitted officially please.

I noticed Rand did not schedule an appointment with us during Licensing Show so please email me the confirmations.

Regards
Kristina

Johnson, Kerry

From: Rodney Dudley [rdudley@randinternational.com]
Sent: Wednesday, August 20, 2008 10:54 AM
To: Glatt, Elana
Cc: 'mworksman'
Subject: FW: TRU Safety Testing / Star Wars Program / LUCASFILM

*Rodney Dudley
Assistant to Steven Goldmeier
RAND INTERNATIONAL
51 Executive Blvd.
Farmingdale, NY 11735
631-249-6000, x279*

From: Steve Goldmeier [mailto:sgoldmeier@randinternational.com]
Sent: Tuesday, June 10, 2008 2:03 PM
To: 'Kristina Anderson'
Cc: 'George Gross, Jr.'; 'Paul Southern'
Subject: RE: TRU Safety Testing / Star Wars Program

June 10, 2008

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I am presently in Bentonville--returning tonight. Could you please advise if you are available for a meeting tomorrow or Thursday to meet during the Licensing Show? Please let me know when is convenient for you.

Regards,

*Steven Goldmeier
RAND INTERNATIONAL
631-249-6000, Ext 252*

From: Kristina Anderson [mailto:Kristina.Anderson@lucasfilm.com]
Sent: Tuesday, June 10, 2008 11:39 AM
To: sgoldmeier@randinternational.com
Cc: george7684grossjr@rogers.com; Paul Southern
Subject:

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You asked us to support you when the issue over the helmets first came up. We met and discussed the situation and advised you this is an issue Rand and TRU need to fix as we do not get in the middle of licensee/retailer manufacturing issues.

8/20/2008

We then gave Rand another shot at correcting the helmet situation after we spoke on the phone a week ago last Friday, despite the regular (at this point) requests we seek another helmet partner.

And now this.

This makes the third embarrassing situation in which Rand has placed us with this retailer with whom we have worked to create a significant Clone Wars program for the Summer and beyond.

This latest piece of information leaves us with no choice other than a) find another helmet partner and b) find another scooter partner.

I understand full well the view the licensor should stand behind the licensee and we have done that but at this rate our loyalty will cost us the wheeled goods program at TRU and that isn't a smart business move.

And what can we expect from the bike tests? You have asked us to trust you and yet the items continue to fail the TRU tests to the degree TRU won't take Rand's items as they present a safety liability for their consumers. We can not and will not have unsafe helmets and wheeled goods in the market containing our IP.

Lucasfilm will not get in the middle of this situation anymore as it is causing irreparable damage on all relationship fronts. Instead, we will work to replace the items now being cancelled at TRU.

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I noticed Rand did not schedule an appointment with us during Licensing Show so please email me the confirmations.

Regards
Kristina

Johnson, Kerry

From: Rodney Dudley [rdudley@randinternational.com]
Sent: Wednesday, August 20, 2008 10:56 AM
To: Glatt, Elana
Cc: 'mworksman'
Subject: FW: Star Wars Testing Issues / LUCASFILM

*Rodney Dudley
Assistant to Steven Goldmeier
RAND INTERNATIONAL
51 Executive Blvd.
Farmingdale, NY 11735
631-249-6000, x279*

From: Kristina Anderson [mailto:Kristina.Anderson@lucasfilm.com]
Sent: Friday, June 13, 2008 6:07 PM
To: Steve Goldmeier
Cc: Paul Southern
Subject: RE: Star Wars Testing Issues

Hello Steve

Thanks for the recap however I believe Jon Roman confirmed via email he was only taking the Toy Skate combos so the information below conflicts with the information I was given whilst in New York. I will let you take that up with Jon to confirm.

In the meantime, I need you to send me the testing for all other retailers to show all the items have passed their necessary safety testing requirements.

Thanks,
Kristina

From: Steve Goldmeier [mailto:sgoldmeier@randinternational.com]
Sent: Friday, June 13, 2008 2:51 PM
To: Kristina Anderson
Cc: currab@toysrus.com
Subject: Star Wars Testing Issues

Dear Kristina,

The TRU-USA situation is as follows on the 5 items that they have mentioned to you. We are sending you the copies of the testing results via DHL.

1. 16" Star Wars Bikes:

Rand has a recent BV passed certification. We then failed when submitted to BV under the TRU-USA PO #.

2. Star Wars Toy Skate Combos:

This passed under BV TRU-USA PO #.

3. Star Wars Skateboards:

Rand has a recent BV test certification and we are waiting for results submitted to BV under the TRU-USA PO #. It failed because the sticker was not placed on the item but was placed instead on the shrink wrap around the item. The factory has corrected this for production.

4. Star Wars Helmets:

Rand has a CPSC passed test certification dated June 6th, 2008. What happened here is when we submitted to BV Lab we were cited that the CPSC certification from Intertek Lab was dated beyond one year period, so we resubmitted 10 days ago to Intertek and now the new certification is dated a couple of days ago, June 6th. We are okay now.

5. Star Wars Folding Scooter:

Rand has a passed BV test certification for the same Star Wars Model with generic graphics. When the Star Wars sample was recently submitted under TRU-USA PO #, it failed for two reasons sharp edges and it was mistakenly tested for a 200 lb. child. We are now resubmitting with corrections.

If you have any further questions on the testing of these items, please do not hesitate to call.

Best regards,

**Steven Goldmeier
RAND INTERNATIONAL
631-249-6000, Ext 252**

EXHIBIT D

1 Sender Account Number 77641776445	Preprint Format No. 126730546	3 Payment Shipper will be billed unless marked otherwise Bill to: Receiver 3rd Party <input type="checkbox"/> <input type="checkbox"/>	Origin FRG	Waybill Number 17641776445
FROM (Company) RUND INTERNATIONAL ROUTS PAY 51 EXECUTIVE BLVD FARMINGDALE		4 Service Type One box must be checked. Assume prior unless noted. <input checked="" type="checkbox"/> Next Day 10:30 <input type="checkbox"/> Next Day 12:00 <input type="checkbox"/> Next Day 3:00 <input type="checkbox"/> Same Day		
Sent by (Name/Dept) S.GOLDMEIER		5 # of Pkgs 1	6 Weight (LBS) Weighted Pounds Grams Kilograms Ounces Pounds Stamps Other Shipping	7 Packaging. One box must be checked. Express Bubble Carton Express Pack Other Shipping
2 TO (Company) PLEASE PRINT NEATLY LUCASFILM 1110 GORGAS AVE, SAN FRANCISCO CA 94129 KRISTINA ANDERSON 4156231852		Special Instructions <input type="checkbox"/> Saturday Delivery <input type="checkbox"/> Extra charge <input type="checkbox"/> Not available for all services and locations <input type="checkbox"/> Hold at DHL <input type="checkbox"/> Lab Pack Service		
Street Address Attention: (Name/Dept) Description		Shipment Valuation Shipment Value Protection <input type="checkbox"/> \$.00		
State NY		Payment Details (Credit Card) No. _____ Type. _____ Expires. _____ Auth. _____		
City ATTENTION: SENDER'S SIGNATURE Hellen 6/13/08		Date 6/13/08	DHL Signature	Date

SENDER'S COPY

* Service may vary by destination, visit www.dhl-usa.com

ABSENT A HIGHER SHIPMENT VALUATION, CARRIER'S LIABILITY IS LIMITED TO \$100 PER PACKAGE FOR ACTUAL VALUE. WITH CERTAIN EXCEPTIONS, CERTAIN CONSEQUENTIAL DAMAGES ARE NOT RECOVERABLE. SEE TERMS AND CONDITIONS ON REVERSE SIDE OF THIS NON-Negotiable WAYBILL.





Track results detail

[► Print this page](#)

Tracking results detail for 17641776445

Tracking summary

Current Status:	<input checked="" type="checkbox"/> Shipment delivered.
Delivered on:	6/16/2008 11:10 am
Delivered to:	Shipping Dock
Signed for by:	RICK B

Tracking history

Date and Time	Status	Location
6/16/2008 11:10 am	Shipment delivered.	San Francisco, CA
	With delivery courier.	San Francisco, CA
	6:33 am	San Francisco, CA
	Arrived at DHL facility.	San Francisco Gateway, CA
6/14/2008 5:02 am	Depart Facility	San Francisco Gateway, CA
	4:49 am	Wilmington, OH
	4:38 am	Wilmington, OH
	2:02 am	Wilmington, OH
6/13/2008 12:01 am	Transit through DHL facility	New York City Gateway, NY
	1:37 am	New York City Gateway, NY
	Depart Facility	New York City Gateway, NY
	11:58 pm	New York City Gateway, NY
6/13/2008 11:48 pm	Depart Facility	New York City Gateway, NY
	11:48 pm	Melville, NY
	Shipment on Hold.	Melville, NY
	9:26 pm	Melville, NY
6/13/2008 8:00 pm	Depart Facility	Melville, NY
	Processed at DHL Location.	Melville, NY
7:06 pm	Shipment picked up	Melville, NY

Ship From:
RAND INTERNATIONAL
Farmingdale, NY 11735
United States

Ship To:
LUCAS FILM
San Francisco, CA 94129
United States

Shipment Information:
Ship date: 6/13/2008
Pieces: 1
Total weight: 1 lb *
Ship Type: Letter
Shipment Reference:
Service: Express
Special Service:
Description:

Tracking detail provided by DHL: 6/25/2008, 7:56:56 am pt.

You are authorized to use DHL tracking systems solely to track shipments tendered by or for you to DHL. Any other use of DHL tracking systems and information is strictly prohibited.

* Note on weight:

The weights displayed on this website are the weights provided when the shipment was created. Actual chargeable weights may be different and will be provided on invoice.

EXHIBIT E

Johnson, Kerry

From: Rodney Dudley [rdudley@randinternational.com]
Sent: Wednesday, August 20, 2008 10:58 AM
To: Glatt, Elana
Cc: 'mworksman'
Subject: FW: Tests / LUCASFILM

*Rodney Dudley
Assistant to Steven Goldmeier
RAND INTERNATIONAL
51 Executive Blvd.
Farmingdale, NY 11735
631-249-6000, x279*

From: Kristina Anderson [mailto:Kristina.Anderson@lucasfilm.com]
Sent: Tuesday, June 17, 2008 4:37 PM
To: Steve Goldmeier
Cc: George Gross, Jr.; Paul Southern
Subject: RE: Tests

...and, this just in, it seems the results have come to TRU today and the skateboard has failed for non-compliance with TRU's date coding requirements and they are not accepting the item.

From: Kristina Anderson
Sent: Tuesday, June 17, 2008 1:31 PM
To: 'Steve Goldmeier'
Cc: 'George Gross, Jr.'; Paul Southern
Subject: RE: Tests

Hello Steve,

There appears to be some confusion as TRU is telling me all they said Rand could do was an official test against the PO that they had written - hopefully after Rand has corrected the problem. So.....??

K

From: Steve Goldmeier [mailto:sgoldmeier@randinternational.com]
Sent: Tuesday, June 17, 2008 11:49 AM
To: Kristina Anderson
Cc: 'George Gross, Jr.'; Paul Southern
Subject: RE: Tests

Dear Kristina,

Regarding the Clone Wars folding scooter test certification, today I have requested my supplier to send this to me. I hope to have this to you by Thursday if not by tomorrow.

Yesterday TRU (Joe Parker) has consented to Rand to go forward on the Clone Wars skateboard in addition to the Clone Wars skate combo, which we will be delivering shortly.

For the remaining three items, the Clone Wars bicycle; the Clone Wars folding scooter; and the Clone Wars helmets, I will request a meeting with Jon Roman and Joe Parker for Rand to ask that they reinstate their Purchase Orders for the three resubmitted products under TRU's PO numbers.

I'll let you know their response.

Regards,

Steven Goldmeier
RAND INTERNATIONAL
631-249-6000, Ext 252

From: Kristina Anderson [mailto:Kristina.Anderson@lucasfilm.com]

Sent: Tuesday, June 17, 2008 1:42 PM

To: Steve Goldmeier

Cc: Paul Southern; George Gross, Jr.

Subject: RE: Tests

Importance: High

Hi again,

No reply from you about this and I am continuing to get email after email from TRU. Please send by today together with the result of your conversation with Jon concerning your email of last week stating your items were now ok.

This is now more than incredibly important so please prioritize for today.

Appreciate it.

Kristina

From: Kristina Anderson
Sent: Monday, June 16, 2008 4:23 PM
To: 'Steve Goldmeier'
Subject: Tests
Importance: High

Hi Steve

I received the tests you sent through - thanks.

I need the recent test results you have for the Star Wars folding scooter as what you sent me is for a generic scooter and dated 10/22/07. Plus, please send me the other retailer test reports as requested as soon as possible.

Do you have a key as to what each coded number on each test means too?

Appreciate the above.

Thanks,
K

*Kristina Anderson
Lucasfilm, Ltd.
1110 Gorgas Avenue
San Francisco, CA 94129-1406
Tel: 415-623-1852*

8/20/2008

Johnson, Kerry

From: Rodney Dudley [rdudley@randinternational.com]
Sent: Wednesday, August 20, 2008 10:57 AM
To: Glatt, Elana
Cc: 'mworksman'
Subject: FW: Tests / LUCASFILM

*Rodney Dudley
Assistant to Steven Goldmeier
RAND INTERNATIONAL
51 Executive Blvd.
Farmingdale, NY 11735
631-249-6000, x279*

From: Steve Goldmeier [mailto:sgoldmeier@randinternational.com]
Sent: Tuesday, June 17, 2008 2:49 PM
To: 'Kristina Anderson'
Cc: 'George Gross, Jr.'; 'Paul Southern'
Subject: RE: Tests

Dear Kristina,

Regarding the Clone Wars folding scooter test certification, today I have requested my supplier to send this to me. I hope to have this to you by Thursday if not by tomorrow.

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I'll let you know their response.

Regards,

*Steven Goldmeier
RAND INTERNATIONAL
631-249-6000, Ext 252*

From: Kristina Anderson [mailto:Kristina.Anderson@lucasfilm.com]
Sent: Tuesday, June 17, 2008 1:42 PM
To: Steve Goldmeier
Cc: Paul Southern; George Gross, Jr.
Subject: RE: Tests
Importance: High

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8/20/2008

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Subject: Tests
Importance: High

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Do you have a key as to what each coded number on each test means too?

Appreciate the above.

Thanks,
K

*Kristina Anderson
Lucasfilm, Ltd.
1110 Gorgas Avenue
San Francisco, CA 94129-1406
Tel: 415-623-1852
Fax: 415-623-1550
BB: 415-342-7488
Kristina.Anderson@lucasfilm.com*

Johnson, Kerry

From: Rodney Dudley [rdudley@randinternational.com]
Sent: Wednesday, August 20, 2008 10:58 AM
To: Glatt, Elana
Cc: 'mworksman'
Subject: FW: Star Wars Skateboard Model SW-2000 / LUCASFILM

*Rodney Dudley
Assistant to Steven Goldmeier
RAND INTERNATIONAL
51 Executive Blvd.
Farmingdale, NY 11735
631-249-6000, x279*

From: Kristina Anderson [mailto:Kristina.Anderson@lucasfilm.com]
Sent: Tuesday, June 17, 2008 5:00 PM
To: Steven Goldmeier; Paul Southern; George Gross, Jr.
Subject: RE: Star Wars Skateboard Model SW-2000

Hello Steve,

I believe Joe is the best person for you to speak with as I'm getting one message from Rand and one from TRU and neither come close to saying the same thing. My note to you came as a result of an email I received just this afternoon directly from TRU.

Let me know the outcome and please copy Joe on the note so I know we are all on the same page and in agreement.

Thanks,
Kristina

From: Steven Goldmeier [mailto:sgoldmeier@randinternational.com]
Sent: Tuesday, June 17, 2008 1:47 PM
To: Kristina Anderson; Paul Southern; 'George Gross, Jr.'
Subject: FW: Star Wars Skateboard Model SW-2000

Kristina
Please see the attached e-mail received yesterday. I will call you shortly.
Tks/ Steve

From: Eileen Singer [mailto:esinger@randinternational.com]
Sent: Tuesday, June 17, 2008 3:41 PM
To: 'RAND - Steven Goldmeier'
Subject: FW: Star Wars Skateboard Model SW-2000

From: Parker, Joe [mailto:Joe.Parker@toysrus.com]

Sent: Monday, June 16, 2008 8:45 AM

To: Allen Goldmeier

Cc: Roman, Jon; Arrizabalaga, Juan; Curran, Bob; DeBlasis, Hope

Subject: RE: Star Wars Skateboard Model SW-2000

Allen -

The test report sent was not against our PO#, but a voluntary submission. This gave you a free pass to the next test. Please correct the outstanding issues and resubmit against the PO.

Regards,

Joe Parker
Toys R Us
Associate Buyer - Wheel World
1 Geoffrey Way, Wayne, NJ 07470
973-617-4861

From: Allen Goldmeier [mailto:agoldmeier@randinternational.com]

Sent: Friday, June 13, 2008 3:04 PM

To: Parker, Joe

Cc: Roman, Jon; Arrizabalaga, Juan; Curran, Bob

Subject: Star Wars Skateboard Model SW-2000

Importance: High

June 13, 2008

Joe,

Attached is BV Test Certification of the Star Wars Skateboard via Rand's voluntary submission.

Today we received the result of the test submission to BV under TRU-USA PO# and it failed as the testing sample had the date code affixed on the shrink wrap packaging. The Star Wars Skateboard can be shipped A/O from China factory with the date code properly affixed on the underside of the product so that it complies 100% with TRU's requirement.

Please advise if you would like Rand to ship, cancel, or retest. I will assure you this product can be supplied immediately from China in full compliance.

Allen Goldmeier

This email message is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message. To reply to our email administrator directly, send an email to [EmailAdmin@toysrus.com](mailto>EmailAdmin@toysrus.com). Toys "R" Us, Inc.

EXHIBIT F

Johnson, Kerry

From: Rodney Dudley [rdudley@randinternational.com]
Sent: Wednesday, August 20, 2008 10:54 AM
To: Glatt, Elana
Cc: 'mworksman'
Subject: FW: Helmets at Toys R Us / LUCASFILM

Rodney Dudley
Assistant to Steven Goldmeier
RAND INTERNATIONAL
51 Executive Blvd.
Farmingdale, NY 11735
631-249-6000, x279

From: Steve Goldmeier [mailto:sgoldmeier@randinternational.com]
Sent: Thursday, May 29, 2008 6:42 PM
To: 'Kristina Anderson'; 'Paul Southern'
Subject: Helmets at Toys R Us

Dear Kristina & Paul,

There are currently helmets on TRU shelves which are manufactured by the same factory, Grace AJ, that our Star Wars helmets are.
Please see the attached manifest of tests. We are sending you a sample of the Speed Racer helmet purchased from TRU, along with the TRU receipt.

Regards,

Steven Goldmeier
RAND INTERNATIONAL
631-249-6000, Ext 252

May 29, 2008

Manifest of Test Reports Star Wars On Helmets

Ref# 3148181CRT-001	HMV4 (SW-977)	5/04/08	*Result	Intertek	CPSC Standard
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*The above test came back citing a labeling failure and the label was resubmitted by the factory on 5/27/08 pending results.

Ref# GLHGR071000515HM	HM5500 (SW-978)	11/14/07	Pass	SGS Labs	EN1078 Standard
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Ref# SPC0145750/0649/PJD/BT	HMV4 (SW-977)	1/23/07	Pass	Satra	EN1078 Standard
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Ref# 3091252-001	HM5500 (SW-978)	6/19/06	Pass	Intertek	CPSC Standard
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Ref# 3071977-001	HMV4 (SW-977)	2/08/05	Pass	Intertek	CPSC Standard
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**EN1078 standards is the European standard. The EN1078 standard exceeds the CPSC standard, and all CPSC test requirements are inclusive of the EN1078 standard.

***The Grace AJ Factory sent additional samples to Intertek on 5/27/08 for an updated CPS test certification.

Rand purchases our helmets from the Grace AJ Company, and the reason we use the Grace AJ Company to supply our helmets for TRU's program is because the Grace AJ Company is the present supplier of the Speed Racer and Spiderman cycling helmets that are presently retailed at TRU – USA. The Speed Racer and Spiderman helmets are made from the same micro shell and sport hard shell helmet styles that Rand is purchasing helmets made in the Star Wars model. Please note a sample of the Speed Racer helmet has been couriered to you for early morning delivery.

EXHIBIT G

Message

Page 1 of 3

Subject: RE: Star War for Kmart Program

From: Ekey, David [mailto:DEkey@searshc.com]
Sent: Thursday, August 07, 2008 11:08 AM
To: Larry Green
Cc: Koenig, Kevin; Peter Pergament
Subject: RE: Star War for Kmart Program

Obviously this is not good news. In fact, it leaves me in a very bad position. I now have two holes in my planogram for 4th quarter. It may be too late for me to source new items to fill our needs.

Batman will be a consideration. However, I am not happy with Rand. I will have a very difficult time rewarding you ANY business at this time or in the future. Not getting Star Wars is going to hurt. I realize it was not completely your decision. I don't know what negotiations occurred. Frankly, I don't care. All I know is that I have a hole on my planogram and the potential for lost sales.

Dave Ekey
Buyer - Bicycles and Bike Accessories
(847) 286-4802

-----Original Message-----

From: Larry Green [mailto:larrygreen@lgreenmi.com]
Sent: Thursday, August 07, 2008 9:28 AM
To: Ekey, David
Cc: Koenig, Kevin; Peter Pergament
Subject: FW: Star War for Kmart Program

Dave,

As you are now know, Lucas Films has terminated Rand's contract for Star Wars.

I just informed Tim yesterday. Since he had orders due to ship this month he was first on my list.

I was out of town the past two days in meetings and traveling and you were on my agenda for this morning.

There is not much more I can tell you about this than what is in the emails below.

Rand does also have the Batman license for bicycles and I am sure you are aware of the huge success of movie. Can we talk about this as a possible 4th quarter item?

Larry Green

--- On Wed, 8/6/08, Ekey, David <DEkey@searshc.com> wrote:

From: Ekey, David <DEkey@searshc.com>
Subject: FW: Star War for Kmart Program
To: "ZZZ Green, Larry" <largoassoc@yahoo.com>
Cc: "Koenig, Kevin" <KKoenig1@searshc.com>

Message

Page 2 of 3

Date: Wednesday, August 6, 2008, 9:33 AM

Larry,
Is there anything I need to know about?

Dave Ekey
Buyer - Bicycles and Bike Accessories
(847) 286-4802

-----Original Message-----

From: Gelander, Tim
Sent: Wednesday, August 06, 2008 8:32 AM
To: Ekey, David; Koenig, Kevin; Kim, David
Subject: FW: Star War for Kmart Program

Star Wars

-----Original Message-----

From: Larry Green [mailto:larrygreen@lgreenmi.com]
Sent: Tuesday, August 05, 2008 8:26 PM
To: Gelander, Tim
Cc: 'Allen Goldmeier'; Peter Pergament; Mark Worksman
Subject: FW: Star War for Kmart Program

Tim,

I deeply regret having to inform you that Rand is having major problems with Lucas Films, the licensor for the Star Wars childrens skates and folding scooter.

Please refer to the email below as it explains in detail the current situation.

We currently have orders from Kmart with a ship to arrive date of 8/15/08 for the two Star Wars items you have planned for your fall set. At this point Lucas Films will not let us ship this product to you.

As noted below you might want to contact Lucas Films direct regarding this. Our contact is Paul Southern. Paul's email address is paul.southern@lucasfilms.com.

I am traveling tomorrow but will try to reach you by phone. You can also phone Peter Pergament in Rand's office at 800-338-7677 Ext 339.

Larry Green

From: Allen Goldmeier [mailto:agoldmeier@randinternational.com]
Sent: Tuesday, August 05, 2008 3:01 PM
To: Larry Green
Cc: 'Peter Pergament'; mworksman@randinternational.com
Subject: Re: Star War for Kmart Program

August 5, 2008

Hi Larry,

Rand is presently in dispute with Lucasfilm regarding a termination of our contract. In

Message

Page 3 of 3

Rand's opinion we were terminated without cause; and over the last several weeks we have communicated continuously with Lucasfilm to resolve this matter, but to no avail.

Rand has advised Lucasfilm of the on hand Star Wars program we are holding from Kmart, and we have requested Lucasfilm to allow Rand to supply these orders, although to date we remain unsuccessful. At this stage I believe the only way we could supply Kmart's Star Wars program is if Mr. Tim Gelander contacts Lucasfilm and asks for their authorization to receive the Star Wars products from Rand that Kmart has ordered.

Larry, please remember Rand has all of the Star Wars Skate Combos in stock in our West Coast warehouse available to supply at once. As far as the Star Wars Folding Scooters; we presently have 3,000 units available in our Farmingdale, New York warehouse while several thousand are sitting on hold in Rand's inventory at our overseas factory. (Rand also has 2,900 Batman Folding Scooters in our Farmingdale, New York warehouse as well).

Larry, I had hoped to work out Kmart's supply with Lucasfilm, although at this stage we need to tell Kmart that Lucasfilm has denied Rand's request. Maybe Kmart would have better success if they communicated with Lucasfilm directly? The person who I am in communication with at Lucasfilm is Mr. Paul Southern.

Regards,

Allen

No virus found in this incoming message.

Checked by AVG - <http://www.avg.com>

Version: 8.0.138 / Virus Database: 270.5.12/1592 - Release Date: 8/5/2008 6:03 AM

No virus found in this incoming message.

Checked by AVG - <http://www.avg.com>

Version: 8.0.138 / Virus Database: 270.5.12/1597 - Release Date: 8/7/2008 5:54 AM

EXHIBIT H

Elizabeth Tangen

From: stacy.arnold-strider@lucasfilm.com
Sent: Monday, March 31, 2008 7:04 PM
To: etangen@randinternational.com; mdiaz@randinternational.com; george7684grossjr@rogers.com; veee@g squaredlicensing.com; stacy.arnold-strider@lucasfilm.com
Subject: SW-6600A/<i>Star Wars: The Clone Wars</i> 6 Volt Quad/Quad/Concept

Lucas Licensing Product Approval

Licensee: Rand International
Contact: Elizabeth Tangen
51 Executive Blvd.
Farmingdale , NY 11735
Phone: 631.249.6000
Fax: 631.249.6015

Mktg. Year:	2008
Property:	Episode I, Episode I, Episode II, Episode II, Episode III, Episode III, Star Wars Classic, Star Wars Classic, The Clone Wars (Animated Series), The Clone Wars (Animated Series), The Clone Wars (Cartoon Network), The Clone Wars (Cartoon Network)
Assortment:	Wheeled Bikes & Bike Gear
Item Name:	<i>Star Wars: The Clone Wars 6 Volt Quad</i>
Item #:	SW-6600A
Submitted Item:	Quad
Develop. Stage:	Concept
	[X] New [] Revised
Check List:	[X] Art [] Marketing [] Editorial [] Merchandising [X] Legal

Comments:

Status: Approved with changes

- Do not flop Rex. He must alway face same direction, even on opposite sides of bike.
- Make sure legal is printed only in one place. Cannot read it here. Be sure it is correct.
- Item cannot be on-shelf until July 26, 2008.
- Will need to see pre-production sample for approval before going to full production and shipping.

Stacy Arnold-Strider
Coordinator, Global Product Development
(Contract # L5179 ; Ref # 107248)

Elizabeth Tangen

From: stacy.arnold-strider@lucasfilm.com
Sent: Friday, May 09, 2008 8:49 PM
To: etangen@randinternational.com; mdiaz@randinternational.com; george7684grossjr@rogers.com; veee@g squaredlicensing.com; stacy.arnold-strider@lucasfilm.com
Subject: SW-6600A/<i>Star Wars: The Clone Wars</i> 6 Volt Quad/Packaging/Concept

Lucas Licensing Product Approval

Licensee: Rand International
Contact: Elizabeth Tangen
51 Executive Blvd.
Farmingdale , NY 11735
Phone: 631.249.6000
Fax: 631.249.6015

Date Sent: May 9, 2008
Date Received: May 9, 2008
Date Returned: May 9, 2008

Mktg. Year:	2008
Property:	Episode I, Episode I, Episode II, Episode II, Episode III, Episode III, Star Wars Classic, Star Wars Classic, The Clone Wars (Animated Series), The Clone Wars (Animated Series), The Clone Wars (Cartoon Network), The Clone Wars (Cartoon Network)
Assortment:	Wheeled Bikes & Bike Gear
Item Name:	<i>Star Wars: The Clone Wars</i> 6 Volt Quad
Item #:	SW-6600A
Submitted Item:	Packaging
Develop. Stage:	Concept
	[] New [X] Revised
Check List:	<input checked="" type="checkbox"/> Art <input type="checkbox"/> Marketing <input checked="" type="checkbox"/> Editorial <input checked="" type="checkbox"/> Merchandising <input checked="" type="checkbox"/> Legal

Comments:**Status:** [X] Approved with changes**ALL**

- Titles and Ages are too dark. Per previous comments, match CMYK color matching sample from hard copy style guide (C=9, M=9, Y=9, K=14).
- Titles -- left justify Power Quad under Clone Trooper.

VERTICAL WINDOW

- White panel in top right corner -- black border should go all the way around panel (above ages and between panel and grey vents to left).

HORIZONTAL WINDOW

- Title bar should be darker.

SIDES WITH PRODUCT SHOTS

- White panel in top right corner -- black border should go all the way around panel (above ages and between panel and grey vents to left).
- This is approved with changes. No need to resubmit.

- Please send pre-production packaging for approval before going to production or shipping.

Stacy Arnold-Strider
Coordinator, Global Product Development
(Contract # L5179 ; Ref # 107248)